



***Customers.com: How to Create a Profitable
Business Strategy for the Internet and Beyond***
By Patricia B. Seybold

I recently reviewed the book "*Unleashing the Killer App*" by Larry Downes and Chunka Mui. My hope was that *CUSTOMERS.COM* would give me further insight into the internet marketing process. Its author, Patricia B. Seybold, is a self-proclaimed internet marketing guru and has attracted quite a following. Overall, I believe the book provides a good checklist approach to internet-based marketing. It did not however, cause me to "think" as much as *Unleashing The Killer App* did.

INTRODUCTION

To her credit, Ms. Seybold begins with a review of what works well in the non-internet world. As with traditional business, internet marketing success depends on:

1. Identifying the customer;
2. Addressing their specific needs in an informative and friendly manner; and
3. Making it easy for them to do business with you.

This means that the marketing has to be designed from the customer's perspective and gravitate towards a "1 to 1" relationship. Perhaps what I found most valuable is her 8-step process or grid that she used to describe the critical success factors in creating an internet presence. These steps, which I will discuss further are as follows:

1. Target the right customers
2. Own the customers total experience
3. Streamline business processes that impact the customer
4. Provide a 360° view of the customer relationship
5. Let customers help themselves
6. Help customers do their jobs
7. Deliver personalized service
8. Foster community

There's no doubt the internet will allow us to do a better job of finding out who our customers are, and what it is they want. However, this is not as simple as it sounds. In fact, I know of few companies that actually made this effort. I have been a customer of Union Bank of California, Quest, Vons, Lands End, The Wall Street Journal, Pacific Bell, MasterCard and many other institutions over the years. Never once have they personally thanked me for being one of their customers or truly inquired about my needs. Certainly, sometimes they will send me surveys that are generally far too lengthy for me to want to spend time on. Since they don't value my time by offering some form of quid pro-quo, other than the possibility of "improved future

service," I have very little incentive to respond to their inquiries. How many customer surveys have you ever filled out - and what changes have you ever seen as a result of them?

Ms. Seybold provides an interesting strategy - when building a customer database, making information in that database available to the client on your web site and then ask them to update anything that wasn't correct. By doing so, you can create community databases. For example, a human resource executive examining performance appraisal systems may be able to communicate with another similarly interested human resource executive, and so on.

Ms. Seybold states it is those companies who "recognize customers' increased desire to help themselves and who focus on making it as easy as possible for the customer to transact business" that will prosper. Quite frankly, this is no different than the approach taken by Nordstrom's. When looking through their clothing racks, a salesperson will not hound you, but simply let you know that if you need any assistance they will be near by to help. Then they leave you alone. I believe most people are like I am - "don't bug me - just make it easy for me to get what I want."

When designing a profile of customer needs, a take into consideration the stream of "business events". What are all the aspects of the transaction that need to be integrated and need to run smoothly?

"They want to know everything we know about our products."

- Phil Gibson - International Director for National Semi-Conductor

This is a valuable insight and one of the best ways to make the internet work for you. One of the biggest issues surrounding internet economy is technical support or handholding. By giving your customers access to all of the information that you have, you can significantly reduce their reliance on you. There will of course be a sliding scale depending on that person's knowledge. For example, I have very little interest in the technical support specifications of the Dell computer I am using. So they can post information all day long and I won't read it. I just tell Dell my needs and ask them to figure it out from there.

Similarly, "hotlines" which are becoming very popular for legal compliance and other concerns, should take advantage of this thinking. They should supply customers with the same database that their analysts use. For example, an experienced human resource officer may only need access to a good legal database in order to answer a relatively simple question. Conversely, the CEO of an internet startup, with little or no background in this area, may not want to spend time on the learning curve necessary to use the database but rather just call you up instead.

FOCUS ON THE 80/20 OF YOUR CUSTOMERS

There is nothing new about this concept. Most of us have identified our A, B, and C list customers. The idea is to eliminate the C-List customers and get more of the A-List type. Ms.

Seybold points out that the internet will allow us to do a better job of analyzing the true costs and benefits of customer retention. As a corollary to this, we should make an effort to maintain and actively monitor key information about customer defections. The insights that we gain will not only reduce defections, but increase customer loyalty.

TARGET THE RIGHT CUSTOMERS

*"Never send customers offers or reminders that they haven't asked for."
and...*

"Don't do anything that might violate their trust."

I think these are perhaps the greatest challenges for internet marketing. How do people know if they want something if they don't know it exists? How do you capture their attention in the first place, second place and the third place? I don't know about you but I really dislike unsolicited e-mails, faxes, telephone calls, mail, etc. I simply don't have time for them. The newsletters, etc. that I do subscribe to over the internet I have learned about from trusted sources. That is one reason why the power of referral is so great on the internet. What trusted sources can you work with to help find and market to your customers? For me the obvious answers are attorneys, insurance companies, risk managers, professional publications, business owners and executives. Perhaps the best way to drive a potential customer to your web site is by publishing a valuable article in a professional publication. Another thought - when you find somebody that does give you referrals, reward them lavishly!

Throughout most of the book, Ms. Seybold goes through a series of case studies with various corporations explaining what succeeded and what failed and what she would do to further improve the situation. She uses her grid of the 8 critical success factors (CSFs) as her approach. My one problem with this approach is that most of her examples and perhaps clients, are Fortune 500 type companies. I have to ask to what degree their strategies and tools translate for the entrepreneur running a startup, a mid-size growth firm, or even a home-based business? It is my belief system that the smaller the entity, the greater chance they have at building a 1 to 1 customer relationship. Smaller companies can do a better job of focusing on niche markets which tend to generate more loyal customers. For example, I read in The Standard (thestandard.com), in an article regarding internet pornography, that the sites with the most loyal customers are those dealing with particular fetishes. While this may not be your personal cup of tea, it points out that the more somebody accommodates one of our special interests, the longer we are going to want to keep them around.

Ms. Seybold points out that one of the greatest challenges for larger corporations is integrating their various customer databases. For example, a sales office in New York may have a different customer profile than one in Los Angeles for the same customer. This is true for both the business-to-consumer and business-to-business markets. One of the greatest advantages of the internet economy is our ability to link up all of these databases into one "open architecture." As stated earlier, these national or global profiles can be changed or upgraded by the customer or client themselves.

One suggestion that I thought was interesting was to give customers access to their entire transaction history. Imagine a law firm allowing its client to download its account information for the past three years. That alone may provide a competitive advantage for a law firm. Federal Express of course allows the client to do a very good job of knowing everything that Federal Express knows about the shipping of your package. UPS and other shippers were quick to respond by offering similar systems. What information do you have at your company that your customers or clients could and should have access to? What are the most frequently asked questions of your sales team, technical support department or even receptionist? Where do they go to get those answers?

"Today's customers value their time above all."

Or, as I have heard recently, we are "drowning in a sea of information - thirsting for knowledge." Ms. Seybold points out how the direct relationship with the customer has enabled Dell computers to become a \$13.6 billion company in 12 years. The nature of their relationship is such that despite its wild success it has remained a very lean organization. With 17,800 employees, Dell's revenues per employee are a whopping \$764,045! Michael Dell stated in a 1998 Harvard Business Review interview "you actually have to get a relationship with the customer. And that creates valuable information, which, in turn, allows us to leverage our relationships with both suppliers and customers. Couple that information with technology, and you have infrastructure to revolutionize the fundamental business models of major global corporations." This is the power of vertical integration. I just bought over \$3,000 worth of Dell computer equipment and found the experience to be very rewarding. Everything was delivered as promised and earlier than scheduled. All three of my phone calls were responded to as well as could be.

While I am on the subject - let me give you an example of just the opposite. I recently called Pacific Bell and asked them to register my telephone number under both personal and business listings. They explained to me that they could not do both. I had to choose one or the other. That is an insane approach in a day and time when more and more people "are their work." Their fastest growing client base has to be the entrepreneurial and home based business owner - many of whom draw no distinction between their personal and work lives. This is not an issue about having technology at their figure tips or a strong internet presence. It's about being able to deliver to customers what it is they want, and how it is they want it - now. It seems as if yesterday's monopolies are today's worst companies in terms of customer relations.

"Design your web sites so that customers can bring portions of it into their own intranets, integrated into their own internal processes, and tailor it for their own employees to use."

"Let the customer explicitly tell you what kind of interaction he's about to perform, and make it really easy for him to do so."

"I like to receive e-mail summarized in content of the top three items in each of my personal folders each day."

These three quotes taken in context, reveal that one of the greatest challenges we will face is how to get deeper into our customers life. I like the idea of sending summarized information that can then be expanded. I particularly like this approach when receiving newsletters or logging on "front-pages". How can you create a personalized front-page for your client that gives them summarized information of the three most important things on their mind everyday?

"Customers will pay for information services on the web as long as they get what they are paying for: a branded, consistent, high-quality set of information, judgment, insights, and analysis."

Ms. Seybold explains that one way to build trust is by ridiculous commitment to customer service. This means that customer's e-mails, voicemails, etc. should be responded to within 24 hours. If you cannot, you should let them know when you will respond to it. This is a particularly challenging issue for today's leaner organization. I predict handsome rewards will go to companies that develop third-party technical support systems.

Ms. Seybold suggests that you tap into a very important reality of internet culture. "People come to the web not just to find things, but to show off, to strut their stuff, and to interact with other interesting and bright people." How can you allow your customers to show off? (Maybe by putting pictures of them on your web site!)

Ms. Seybold suggests building community on your web site. One way to do this is by creating "chat rooms". Many companies find that well organized chat rooms reduce the number of support calls, etc. Members help each other solve their problems, so that you don't have to.

CONCLUSION

Quite frankly, I was somewhat disappointed by the book. Having already read a great deal about internet marketing, I gained no real new insights. The book seems to follow a formula I have seen repeated with greater frequency.

1. Define yourself as a guru,
2. Analyze a whole bunch of work done by some very good people at other companies,
3. Synthesize a success stories around a simple theme, and
4. Convince the reader that it would be in their best interest to hire your firm or agency.

It's not that I am knocking this book or the others of its kind, they certainly have their place. Heck, I write books too. My gripe is that they are thin on any real insight. They tend to be more of a reporting function. You will note that I had the same complaint in my review of *Working with Emotional Intelligence* by Daniel Goleman. Quite the opposite was true when it came to *Unleashing the Killer App* by Downes and Mui.

While we are on the subject of internet marketing let me share with you a couple of the insights that I have been able to glean from much of the other material I have reviewed. The following list comes in no specific order:

1. Get permission to capture the visitor's name. This is certainly tricky in light of the statistic that 50% of people who are asked to provide information about themselves pass and 25% of them who do purposely provide erroneous information. Quite frankly this may be a great weeding out process. Let them know that they can trust you with their information and you will not redistribute it without their permission. Make sure to offer them something of value for leaving their name (i.e. newsletter, etc.). Set up an auto-responder that sends a message thanking them for visiting your web site.
2. Make it easy for the user to bookmark your web site and in fact remind them to do so.
3. Suggest that they refer your web site to someone they know and make it easy for them to do so.
4. Always ask, what is the next logical move? Is it to obtain more information? Make a purchase? Make a second purchase, etc.? Make navigating your web site easy to do. Do not limit the user's ability to move backwards or forwards. Let them know where they are at all times.
5. If you are going to use testimonials about your products or services don't limit them to a single page. Scatter them throughout your web site.
6. Find out what search words users put into which search engine to find your web site.
7. One of the web's better thinkers about web design can be found at www.nathan.com/thoughts - I particularly like his "recipe for a successful web site".
8. I also suggest you visit the web site of my friend Ed Taylor www.internetmarketinggroup.com who has a great deal of information regarding internet marketing that he shares with CEOs across the country.
9. As with any other marketing, think in terms of the lifetime value of the customer. What irresistible offer can you make them to start a relationship with you that will last for years?
10. When people come to your web site make sure that they can do something more than just read. Invite them to interact. Give them special reports, quizzes, free samples and other goodies. Let them build our web site for you.
11. Some graphics take a long time and mean nothing. Give them option to go graphic-less.
12. Check out how your web site downloads and prints out of 10 different computers. How fast does it move at 28.8, 56, DSL and cable? What does it look like on a small monitor vs. large monitor? How do reports, product, service descriptions, and other data print out on a wide range of printers. (When is somebody going to start a business that will answer all of these questions for me?).